(b) what is the cost of production of the same in India and abroad; and

(c) what are the reasons of vast variation between the rates of the two markets?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) The present maximum consumer price of urea, a controlled fertilizer in the indigenous market is Rs. 3320/- per tonne. The indigenous market price of DAP, which is a decontrolled fertilizer, varies from State to State and is in the range of about Rs. 7200/- to Rs. 7400/- per tonne, excluding the special concession of Rs. 1000/- per tonne and local levies.

The current price of urea imported into India, which is canalised item, is approximately us $155 (C & F) per tonne. Since DAP is a decanalised item, it is no more imported on Government account. However, according to published information, current per tonne international price of DAP ranges from US $ 173 to 185 (FOB US Gulf and North Africa) and US $ 182-188 (FOB Middle East).

(b) The weighted average cost of production of indigenous urea is about Rs. 4900/- per tonne. Since DAP is a decontrolled fertilizer, authentic inormation on cost of production is not available. However, the estimated cost of production of indigenous DAP is in the range of Rs. 8000—8500 per tonne.

(c) Cost of indigenous urea is somewhat less than imported urea at present on farmgate price basis. However, cost of imported DAP is less than that of indigenous DAP due to the following reasons:

(i) The indigenous DAP is predominantly based on imported raw materials/intermediate and the prices of raw materials/intermediates and finished DAP in the international market do not move in tandem;

(ii) Investment in India is high due to high cost of capital and duties/taxes; and

(iii) High cost of working capital in India.

Proposal of new policy in respect of imported and indigenously produced drugs

1365. SHRI ANANT RAM JAISWAL
SHRI RAJNI RANJAN SAHU:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that in the proposed new policy no distinction is sought to be made in the imported and indigenously produced drugs and the coverage under price control would depend upon the turn-over;

(b) whether it is also a fact that such a step would discourage domestic production and would encourage imports, if so, on what consideration such a proposal is being studied;

(c) whether it is also a fact that restriction on MAPE (Maximum Allowable Post-manufacturing Expenses) on the imported formulations is sought to be removed; and

(d) whether it is also a fact that present incentive on the production of a new drug by a company or modification of the process as a result of R&D efforts is also proposed to be removed and henceforth only new bulk drugs not produced else-where would be eligible for R&D incentive, if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (d) The review of the Drug Policy, 1986, which includes the pricing aspects is at an advanced stage and modifications needed would be announced after finalisation of the decision in this regard.

Cost study for the price of Ethambutol HCL

1366. SHRI ANANT RAM JAISWAL:
SHRI RAJNI RANJAN SAHU:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) when was the cost study into the fair price of Ethambutol HCL conducted by the Board of Industrial Costs and Prices (BICP) and upto what period it is valid;

(b) why fresh study has not been undertaken and the parties were allowed to continue to enjoy high prices;

(c) the number of other bulk drugs, where validity of the pricing period is over but BICP have not conducted fresh study; and

(d) the reasons therefor and who is responsible for such a state of affairs?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) and (b) The Cost Study conducted by BICP in January, 1991 was valid upto March, 1993. Fresh study has already been initiated by BICP.

(c) and (d) Revision of prices is an on-going exercise. As on 27.7.94, the pricing period in respect of 48 other bulk drugs have expired and fresh cost price studies for all these 48 bulk drugs have already been initiated by BICP. BICP has informed that in several cases completion of studies is delayed due to lack of co-operation from the manufacturing units in furnishing the requisite data. Pending completion of the fresh studies, the prices of bulk drugs on the basis of earlier studies prevail.

New Policy MAPE for category-I

1367. SHRI ANANT RAM JAISWAL:
SHRI RAJNI RANJAN SAHU:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to refer to answer to Unstarred Question 3871 given in the Rajya Sabha on the 21st April, 1994 and state:

(a) whether under the new policy MAPE for CATEGORY-I formulations is proposed to be increased to 100 per cent and the span of price control is proposed to be reduced to about 45 per cent;

(b) whether this step alongwith the signing of GATT would result in spurt in prices of medicines which have already skyrocketed during the past three years;

(c) whether producers and traders are making exorbitant profits as there is no limit on the promotional expenses and trade commission; and

(d) why this aspect has not been studied as a part of review of the drug policy?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (d) The Review of the Drug Policy 1986 which *inter-alia* includes aspects of price control, including MAPE, is still in the process of being finalised. Most of the issues in this regard have already been dis-